

REMARKS

Claims 11-13, 15 and 22 are currently active.

Claims 11 and 15 have been amended.

Claim 22 has been added.

Applicant's invention is a method for transmitting a desired digital, video or audio signal stored on a first memory to a second memory. The method comprises the steps of transferring a fee to a first party at a location remote from the second memory and controlling use of the first memory from a second party financially distinct from the first party. The second party is in control and in possession of the second memory. The second party transfers the fee to a location remote from the second memory. Additionally, the method comprises the step of then connecting the first memory with the second memory via a telecommunications link such that the digital signal can pass therebetween. Next, there is the step of transmitting the digital signal from the first memory with a transmitter in control and in possession of the first party to a receiver having the second memory at a location determined by the second party. The receiver is in possession and in control of the second party.

There is also the step of then storing the digital signal in the second memory.

The Examiner has rejected Claims 11-13, 15 and 21 under 35 U.S.C. §103 as being anticipated by Hughes. Applicant respectfully traverses this rejection.

Referring to Hughes, there is disclosed a coin operated recording machine (200). The machine (200) has a transmitting station (202) where the audio/video records are stored. There are also remote recording stations (204) where the customer can record the station's audio/video signal onto a magnetic tape. The transmitting station (202) may be situated at any convenient central location, and the recording stations (204) may be located in private houses. The transmitting station (202) and recording stations (204) are linked by telephone lines or other signal transmission means.

In all the teachings of Hughes, the recording stations (204) are owned or "in possession" of the owner of the transmitter station (202). This is clearly supported by the fact that the user "records new programs at any time they wish . . . by inserting the appropriate coins into the apparatus" (column 9, lines 54-56). Accordingly, the recording machine (200) of Hughes requires its owner or representative thereof to travel to the

remote recording stations (204) to collect the coins: much in the same manner as an arcade game owner. This extra and tedious step necessitates the need for a strictly controlled collection system which must determine when the users are home so that the coins can be collected.

There is simply no teaching or suggestion within Hughes of "transferring money (or fee) to a first party at a location remote from the second memory and controlling use of the first memory from a second party financially distinct from the first party", as disclosed in applicant's newly amended Claims 11 and 15. Further, there is no teaching or suggestion within Hughes wherein "said receiver in possession and control of second party" as disclosed in applicant's newly amended Claims 11 and 15. Hughes' receiver, although located in the user's home is taught to be owned by the owner of the transmitter and is thus "in possession" of the owner. Further, the owner clearly "controls" the receiver since he must collect the coins therefrom.

"Transferring money (or fee) to a first party at a location remote from the second memory and controlling use of the first memory from a second party financially distinct from the first party" is critical to the operation of the applicant's invention. The step of transferring the money to a remote location eliminates the need for the collection step of the first

party or its representative from having to go to the second memory and collect the money deposited therein, which is required by Hughes. With the applicant's method, the money or fee is transferred to a remote location which is suitable for the first party in control of the transmitter, such as his bank or his place of business. Further, in this manner, the user can use other forms of monies, besides coins, such as credit cards, charge accounts or the like. The user is not burdened with the task of saving the appropriate coins, and waiting for the owner of the transmitter to come collect the coins. It should be noted that the first party is defined as a licensee, franchiser, distributor, or whoever stands in for the first party with respect to receiving the money and accessing the transmitter in way so authorization is forthcoming to transmit the digital signal to the second party receiver and his memory.

A second clear distinction between the applicant's method and Hughes' teachings is that the applicant's method in no manner necessitates the need for a receiver which is controlled by the controller of the transmitter. Any suitable recording apparatus controlled and in possession of the second party can be used to record the incoming digital signals. Accordingly, the second party's own stereo system can be coupled to the incoming signals for recording. In this manner, the second party is not limited to a predesigned receiver of the first party controlling

the transmitter, but instead can alter the recording components, change recording media, equalize the signal and many other parameters of the system.

Accordingly, since Hughes does not teach or suggest the step of "transferring money (or fee) to a first party at a location remote from the second memory and controlling use of the first memory from a second party financially distinct from the first party" or "said receiver in possession and control of second party", Claims 11 and 15 are patentable over Hughes. Claims 12, 13 and 21 are dependent to Claims 11 and 15 and have all of their limitations. Therefore, Claims 12, 13 and 21 are also patentable.

The Commissioner is hereby authorized to charge any fees or credit any overpayment to Deposit Account No. 19-0737. A duplicate copy of this Amendment is enclosed.

In view of the foregoing amendments and remarks, it is respectfully requested that the outstanding rejections and



objections to this application be reconsidered and withdrawn, and
Claims 11-13, 15 and 22, now in this application be allowed.

CERTIFICATE OF MAILING

I hereby certify that the correspondence is
being deposited with the United States Postal
Service as first class mail in an envelope
addressed to: Commissioner of Patents and
Trademarks, Washington, DC 20231
on 12/9/91

Ansel Schwartz

Ansel M. Schwartz
Registration No. 30,587

12/9/91

Date

Respectfully submitted,

ARTHUR R. HAIR

By Ansel Schwartz

Ansel M. Schwartz, Esquire

Reg. No. 30,587

425 N. Craig Street

Suite 301

Pittsburgh, PA 15213

(412) 621-9222

Attorney for Applicant